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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 09/07/06

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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, September 6

NIHON KEIZAI (Page 2) (Full)
September 7, 2006

09:00

Saluted by ceremonial troops at the Defense Agency. Met with Defense Agency chief Nukaga, followed by high-level SDF officers.

09:58

Met at Kantei with Environment Minister Koike.

10:25

Met with Administrative Vice Finance Minister Fujii and Vice Minister for Finance for International Affairs Watanabe.

11:02

Attended award ceremony for contributors to disaster prevention.

11:32

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Signed at the Imperial Palace his name on the book celebrating Princess Kiko's giving birth to a boy.

11:45

Signed at Prince Akishino's residence his name on the book.

12:03

Attended at Kantei government-ruling party meeting.

13:53

Met with Deputy Chief Cabinet Secretary Futahashi.

15:30

Met with Ambassador to Israel Maeda, followed by National Police Agency Commissioner General Uruma.

17:00

Met with Cabinet Intelligence Director Mitani, followed by Japan Business Federation Chairman Mitarai.

18:03

Held informal meeting with high-level SDF officers.

18:32

Returned to his official residence.

4) The first summit between US president and new prime minister may occur in November

MAINICHI (Page 2) (Full)
September 7, 2006

Masaya Oikawa, Washington

A US State Department official yesterday said that though it is undecided when the first Japan-US summit between Japan's new prime and President Bush will take place, he added, "There is various speculations but if you look the political calendar, the Asia-Pacific Economic Cooperation (APEC) forum would be about the closest." The official hinted that one option would be to hold a bilateral summit on the sidelines of the APEC conference in Vietnam slated for Nov. 18-19.

Referring to the current mood in Japan that Chief Cabinet Secretary Shinzo Abe is seen as the most likely contender to succeed Koizumi, who has built a personal relationship with Bush, the official emphasized: "No matter who is elected, there will be no major change. Japan will not change its policy toward the United States." He also pointed out that "the President is certainly looking forward to the first summit meeting with the new prime minister." In addition, referring to calls by Abe and others for constitutional revisions, he said, "That is a matter for Japan to decide." "Expansion of the two countries' relations will benefit both greatly and potential for joint operations will expand," he added, revealing

expectations for revision of Article 9 of the Constitution.

5) ASDF planes make first flight to Iraq to transport UN supplies

YOMIURI (Page 4) (Full)
September 7, 2006

Kuwait-based Air Self-Defense Force C-130 transport planes, which

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have been on an airlift mission for the US-led coalition forces in Iraq, flew into Baghdad and Arbil in northern Iraq for the first time on Sept. 6 to transport UN personnel and supplies, the Defense Agency announced yesterday. After the Ground Self-Defense Force troops pulled out of Iraq, the ASDF has decided to provide transport assistance to the UN besides the coalition forces, given declined demand for transport to Tallil near Samawah.

6) Nuclear-armed US warships regularly entered Japanese ports, proved by newly declassified US government document

AKAHATA (Page 1) (Excerpts)
September 7, 2006

The existence of a US government internal document has been revealed that prove US military vessels armed with nuclear weapons regularly paid port calls in Japan. The vessels included US military supply ships and fell under a secret agreement between Japan and the United States that allowed the carrying into Japan of nuclear weapons.

On the existence of a secret compact that allowed the carrying into Japan of nuclear weapons by ships and other means, then Japanese Communist Party Chairman Tetsuzo Fuwa pursued the issue in the Diet repeatedly in 2000, citing several classified US government documents. This time, the newly declassified document clearly proves what Fuwa had pursued.

The document is a list of agreements on nuclear weapons with 22 countries related to US military being allowed to enter while carrying such arms. It was drafted by the office of the assistant secretary of the Defense Department on October 8, 1968. The

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declassified document was made public by the National Security Archives (NSA), a private research organization in the United States. About half of the document has been excised, and the names of the countries, as well, have been blotted out. But NSA's William Barr (TN: phonetic) pointed out that about five pages clearly refer to Japan. In the Japan portion, there is reference many times to a record of discussion that is the full text of the Japan-US secret pact that was signed in January 1960. It reconfirms the contents of the secret agreement that prior consultation did not apply to cases in which US warships armed with nuclear weapons entered Japanese waters or entered Japanese ports, and that there "exists a common understanding of this."

7) US Naval Forces Japan commander: Navy not likely to deploy a new carrier to Guam

SANKEI (Page 9) (Full)
September 7, 2006

Meeting the press yesterday, Rear Admiral Kelly, commander of US Naval Forces Japan, indicated that a new carrier the US Navy plans to deploy in the Pacific in the spring of next year -- the sixth for the region -- would not likely be deployed to Guam.

As candidate locations for the deployment, Kelly confirmed that Bremerton in the State of Washington, San Diego in the State of California, Pearl Harbor in the State of Hawaii, and Guam are under consideration. Referring to the possibility of the choice of Guam, Kelly stated: "(In order to use it as the home port), the construction of infrastructure and some other construction works would be required so that it can maintain its current capabilities.

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We hope to make it maintain such capabilities as required for the carrier to stop there) and stay for a certain period of time there, but (Guam) will not be chosen as the home port."

8) Japan-US to examine responses to North Korean missiles

YOMIURI (Page 4) (Full)
September 7, 2006

The Japanese and US governments will hold the first Japan-US review meeting of foreign and defense officials of the two countries today in Tokyo to examine measures taken following North Korea's firing of ballistic missiles on July 5. The meeting will be joined by Foreign Ministry North American Affairs Bureau chief Chikao Kawai from the Japanese side and officials of US State Department, Pentagon, and US forces in Japan from the US side.

9) South Korea wants operational command be shifted speedily from US military; Symbol of independence for Roh administration; US points to 2009

ASAHI (Page 2) (Excerpts)
September 7, 2006

Talks are underway between Washington and Seoul to transfer wartime operational command from the US military to the South Korean military. The United States has announced its intention to transfer command in 2009, three years ahead of the South Korean plan, reversing its reluctance to South Korean President Roh Moo Hyun's call for "independent defense." The focus is now on exactly when the transfer will occur. A view has emerged that given the North Korean missile and nuclear threats, a transfer of command would inevitably affect Japan, as well.

USFJ realignment may be affected

Once operational command is transferred, will there be a smooth transition to a defense system led by the South Korean military? Will it result in a major reduction in US forces in South Korea? The answers to these questions are unclear at present. Depending on how the talks unfold, the plan may have an impact on the realignment of US forces in Japan, as well.

Once command is transferred, South Korean forces may have to fight on the frontline with US forces only providing support with less responsibility and more flexibility. This would coincide with Defense Secretary Rumsfeld's plan to review and realign US troops worldwide to increase efficiency. Former Ground Self-Defense Force Chief of Staff Hikaru Tomizawa, who is familiar with USFK, noted: "This represents Washington's strong desire to avoid being dragged into a ground war at Asia at a time when the Middle East is in turmoil."

The Bush administration has decided to reduce the size of US forces in South Korea by one-third, mostly ground troops, as part of the ongoing global transformation of US forces. The administration is shifting the weight of deterrence against North Korea to the Navy and Air Force, while increasing the capability of US Navy vessels deployed in Japan and strengthening cooperation between the US Air Force and Japan's Air Self-Defense Force.

How to reform the functions of ground force commands in Japan and

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South Korea have been a major challenge in US force realignment, but the US has not presented any specific plan to Japan.

If US forces in South Korea are scaled down deeply after command is transferred, US Army 1st Corps headquarters may become the hub command to control US forces in Northeast Asia once it is shifted to Japan. If so, Japan might be integrated deeply into the US military strategy, in addition to bearing an increased burden for training and supplies.

10) Minshuto, SDP to pursue Abe's comment on right of collective self-defense in upcoming Diet session

ASAHI (Page 4) (Full)
September 7, 2006

In reaction to Chief Cabinet Secretary Shinzo Abe's eagerness to study the option of changing the government's view on the right of collective self-defense, the largest opposition party Minshuto (Democratic Party of Japan) and the Social Democratic Party indicated yesterday that they would pursue Abe's intention in the upcoming extraordinary Diet session.

Minshuto Policy Research Council Chairman Takeaki Matsumoto told a press conference yesterday:

"Whether or not to allow the government to alter its current view is controversial. But changes cannot be made beyond the country's exclusively defense-oriented policy under the Constitution. Japan is not allowed to exercise the right of collective self-defense beyond that."

SDP head Mizuho Fukushima also said in a press conference:

"Under the Constitution, Japan cannot exercise the right of collective self-defense. Any comments trampling on the government's view are not acceptable. We are going to point that out in the upcoming session."

11) Japan-ROK strategic dialogue kicks off; Views exchanged on EEZ

TOKYO SHIMBUN (Page 3) (Full)
September 7, 2006

Kiyoshi Nakamura, Seoul

The Japan-South Korea vice ministerial strategic dialogue between Japanese Administrative Vice Foreign Minister Shotaro Yachi and South Korean Vice Minister for Foreign Affairs and Trade Yu Myung Hwan began yesterday at the Ministry of Foreign Affairs and Trade in Seoul on a two-day schedule.

The two officials exchanged views on talks on the demarcation of the exclusive economic zones (EEZs) of the two countries, which had continued until the previous day in Seoul. After the meeting, Yachi spoke of Japan's planned radiation survey in waters around Takeshima/Dokdo and stated: "On the premise that Japan will conduct the survey, we are discussing what will be the best way. Our discussions are continuing."

12) National Defense Academy President Iokibe criticizes Prime Minister Koizumi in Kantei email magazine for paralyzing Asia

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diplomacy

ASAHI (Page 4) (Full)
September 7, 2006

In the Koizumi cabinet's email magazine to be distributed today, National Defense Academy President Makoto Iokibe criticizes Prime Minister Junichiro Koizumi, writing, "I wonder how much (the prime minister) has through the Yasukuni issue alone paralyzed Asia diplomacy and worsened the constructive relations with other countries Japan has built." It is unusual for a message critical of Koizumi to be included in the magazine.

In his contribution titled "My view of the five years of the Koizumi government," Iokibe said, "Confidence, which I call an external asset, was significantly damaged by the prime minister's persistence in visiting Yasukuni Shrine." He also wrote: "Prime Minister Koizumi's strong attraction and popularity among the public have prevented criticism of his Asia diplomacy." While praising his efforts for relations with the United States and his visits to North Korea, he wrote: "He made a big mistake in Asia diplomacy, but his successors have an opportunity to deal with it." Iokibe expressed

his hopes for the next government's effort to repair soured relations with China and South Korea.

13) JCP Chairman Shii meets with South Korean National Assembly chairman; Trying to wipe out image of being too close to North Korea

ASAHI (Page 4) (Full)
September 7, 2006

Takeshi Nakagawa, Seoul

Japanese Communist Party (JCP) Chairman Kazuo Shii, who is now visiting South Korea, met yesterday in Seoul with the National Assembly chairman and two opposition party leaders separately. At Yonsei University, he had exchanges with students. He was desperately trying to clear up his party's image of having close ties with North Korea.

In his meeting with National Assembly Chairman Im Chae Jong, Shi explained his party's position toward the prime minister's visits to Yasukuni Shrine, saying: "Whoever become the next prime minister, we will oppose the visits. The problem is not only that the shrine honors Class-A war criminals but also the views of history that glorify the war." Im then responded, "If Japan takes such a position, tension between the two countries will be eased."

During his meeting with the Democratic Party, one member said with humor, "This is the visit to our party by the Japanese Communist Party, which reminds us of North Korea." Another lawmaker said, "I thought that you have had exchanges with North Korea." Shii is expected to call on five political parties.

14) Minshuto head Ozawa hosts grassroots gathering in Colorado

ASAHI (Page 4) (Full)
September 7, 2006

Hisayuki Hayashi, Denver, Colorado

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Minshuto (Democratic Party of Japan) President Ichiro Ozawa, now visiting the United States, met on Sept. 5 (Sept. 6, Japan time) in Colorado Springs with about 200 Japanese and American citizens, who will take part in a grassroots gathering that Ozawa will host.

This exchange program has been conducted since 1991. Participants are recruited from each country, and the members visit each other's country, alternating between Japan and the US every year, to strengthen friendship. They engaged in sightseeing and dialogues. So far, more than 20,000 have taken part in the program.

Ozawa said:

"Relations between Japan and the United States on the face of it have been doing well, but that is far from the case in reality. Since Japan-US relations are most important for Japan, we are conducting activities to strengthen bilateral ties."

Ozawa will announce on Sept. 11 his candidacy for the party's presidential election. His US visit at this juncture is aimed to play up the promotion of private exchanges, in contrast to the official exchanges by Prime Minister Junichiro Koizumi and Chief Cabinet Secretary Shinzo Abe, according to a person close to Ozawa.

Ozawa will return home today.

15) Unrestricted framework for grant-aid ODA

NIHON KEIZAI (Page 3) (Full)
September 7, 2006

The Ministry of Foreign Affairs (MOFA) plans to provide grant aid that can be, in principle, used at the discretion of recipient countries, starting fiscal 2007. Projects to help resolve poverty

will become eligible for this scheme. MOFA has African nations in mind as chief recipients. Funds from this framework will be provided to between three and five countries, including Tanzania and Ghana, next fiscal year. The government intends to make this official development assistance (ODA) for measures to deal with poverty lead to strengthened relations with African nations.

Under the grant aid assistance strategy for reducing poverty to be established anew, recipients will map out three-to-five-year development programs designed to reduce poverty in cooperation with the World Bank or the International Monetary Fund (IMF). Japan's funds will be used for such projects. MOFA expects that Japan will strengthen relations with African nations and that an increasing number of those countries will support Japan's bid for a permanent seat on the United Nations Security Council (UNSC).

16) Poll: Abe lines up support from 80% of LDP lawmakers, on top in 31 prefectures

MAINICHI (Top Play) (Full)
September 7, 2006

The Liberal Democratic Party presidential race will kick off following the official announcement tomorrow of the Sept. 20 election. Chief Cabinet Secretary Shinzo Abe, Finance Minister Sadakazu Tanigaki, and Foreign Minister Taro Aso have declared their candidacy, and from them the next prime minister will be elected. According to an opinion poll by the Mainichi Shimbun, 321, or about

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80%, of the 403 LDP lawmakers have decided to vote for Abe. A survey of secretaries general and other senior members of LDP local chapters also showed that Abe is on top in 31 prefectures, nearly 70% of all the prefectures. An Abe landslide is now certain.

In the LDP presidential election, the three contenders will contest 703 votes: 403 held by lawmakers and 300 allocated to prefectural chapters.

At present, Abe is likely to win 500 votes, or about 70%. It is certain that he will be elected on the first ballot.

According to the Mainichi Shimbun survey, all members of both the Mori faction (86 members) to which Abe belongs and the Nikai faction (15) have decided to vote for Abe. Almost all members of the Komura faction (15) and the Ibuki faction (32) have also decided to support Abe. In the Tsushima faction (74) and the Niwa/Koga faction (48), about 80% favor Abe. Even in the Yamasaki faction (36), chaired by former Vice President Taku Yamasaki, who has been critical of Abe, about 60% are willing to vote for Abe. Among LDP lawmakers who do not belong to a faction (71), 57, or about 80%, have decided to support Abe.

Those who have decided to vote for Tanigaki total 28: 15 Tanigaki faction members, 8 from the Yamasaki faction, including Yamasaki, several members from the Tsushima and Niwa/Koga factions, and LDP lawmakers of no faction.

Aso has secured 22 votes: 11 members of the Kono faction, some members from the Tsushima, Niwa/Koga, Yamasaki, and Ibuki factions, and members of no faction. About 30 lawmakers have yet to decide on whom they will vote for.

The survey of senior members of the prefectural LDP chapters was conducted from Aug. 29 through Sept. 4. Votes will be distributed to each chapter under the d'Hondt formula based on the number of party members. The survey found Abe in the lead in 31 prefectures, including Tokyo, Hokkaido, and Aichi. Tanigaki has a lead in Yamagata and Kyoto, while Aso is the top contender in his home district of Fukuoka and Ibaraki, according to the survey. In Iwate, Abe and Aso are neck-and-neck, and 11 prefectures refused to respond or remained undecided.

17) Abe avoids clear comment on whether he would adhere to Murayama statement, suggests entrusting assessment of WWI to historians

In an interview with the Asahi Shimbun and other news companies yesterday, Chief Cabinet Secretary Abe avoided giving a clear response to a question asking whether he, if elected prime minister, would follow the 1995 Murayama statement. In the statement, Prime Minister Murayama expressed remorse and an apology for Japan's colonial rule and past military aggression. Saying, "That is a historical statement," Abe added: "Once the next cabinet is formed, the cabinet should express its views about Japan's past acts." Abe has stopped short of giving his assessment of World War II since assuming his current post last October. This remark indicates that even if he assumes the premiership, Abe will maintain his current stance of entrusting the assessment of the war to historians.

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The Murayama statement referred to the nation's colonial rule and war acts, noting: "Japan inflicted tremendous damage and suffering on people in Asian countries," and expressing "deep remorse" and "a sincere apology." Prime Minister Koizumi also clearly said in a Diet reply: "I share the same perception."

Abe, though, was overheard expressing to his aides a sense of discomfort about the Murayama statement and the repeated apologies made by successive prime ministers based on the Murayama statement.

In a press conference held just after the interview yesterday, when asked in what form he is going to issue a new historical view, Abe indicated he had no intention of issuing a statement expressing his own historical views, saying:

"The Murayama statement is now a historical statement. I think there is no need to issue another statement and that historians should take charge of assessing the nation's past conduct."

Asked if he would adhere to the Murayama statement, Abe only said: "The government announced (the statement) at home and abroad on the day marking the 50th anniversary of the end of the war."

Regarding the neighboring countries provision mandating the government to give consideration to its neighboring countries in authorizing school textbooks, Abe commented: "We will take into consideration what feelings neighboring countries have. I have no intention of immediately scrapping the provision."

18) Shinzo Abe considering further reorganization of government agencies to promote small government: Room to constrain public projects

Chief Cabinet Secretary Shinzo Abe, who declared his candidacy for the Liberal Democratic Party (LDP) presidential election, revealed during an interview with the Nihon Keizai Shimbun and other dailies a plan to consider further reorganization of central government agencies, provided that he becomes prime minister. He also expressed his desire to introduce a doshu system of reorganizing the current prefectural system into regional blocs.

The aim is to create a small and efficient government by strengthening the functions of the Prime Minister's Official Residence (Kantei) and downsizing administrative organizations.

Commenting on the organization of the current government agencies, which were reorganized into one office and 12 agencies in 2001, Abe noted, "It is necessary to discuss their functions and organizations from the perspective of whether their organizations are all right as is, taking into account the possibility of carrying out further reorganization." He indicated plans to inspect the current government agency system, while taking into account the possibility of strengthening the functions of the Kantei.

Regarding the doshu system, Abe revealed a policy of discussing the

issue concurrently with the envisaged further reorganization of government agencies. He played up his idea of dividing government services into those to be provided by central government agencies and those to be carried out by local governments. He noted: "I will

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consider the doshu system from a perspective of assisting local regions. I will change the grand design (of the government)."

Concerning public works projects, Abe stressed, "There still is room for a reduction. . . . Projects that must be carried out can be realized at lower costs by sorting out proposed projects or carrying out adopted projects in an efficient way."

As to his views of wartime history, he noted that he intends to follow the 1995 statement of then Prime Minister Tomiichi Murayama. He then indicated his intention to reveal his own views on the issue once he comes into office as prime minister, noting, "A new prime minister should reveal his own view on this issue." Regarding the Bank of Japan's (BOJ) monetary policy, Abe pushed against another hike in interest rates soon, saying, "I would like the BOJ to undergird the Japanese economy on the monetary front."

The LDP presidential election will be formally announced on Sept. 8 and voting and vote counting will take place on the 20th. The presidential race will likely be contested among Abe, Foreign Minister Taro Aso, and Finance Minister Sadakazu Tanigaki. The government and the ruling camp plan to convene an extraordinary Diet session to elect a new prime minister on the 26th.

19) Revision of Imperial House Law not to be discussed during next year's regular Diet session, government decides

TOKYO SHIMBUN (Page 1) (Full)
September 7, 2006

Following the birth of a boy into the household of Prince Akishino yesterday, the government has decided to put on the backburner a revision of the Imperial House Law to allow females and males of matrilineal descent to assume the throne. Responding to reporters yesterday evening, Prime Minister Junichiro Koizumi ruled out the possibility of revising the law at an early date. He said: "I think it is better for us to calmly observe the birth of a boy this time and spend ample time contemplating what the imperial family means. Revising the Imperial House Law is not an issue that should be debated in next year's regular Diet session."

The prime minister also indicated his position that in view of the future, it will be necessary to allow females and males of matrilineal descent to assume the throne, noting: "Nowadays, it is not possible to have boys without fail. It would become difficult to maintain imperial succession unless males of matrilineal descent are allowed to assume the throne." The Experts Council on the Imperial House Law, an advisory organ reporting to the prime minister, last November formulated a final report on a revision of the Imperial House Law, including the assumption of the imperial throne by the emperor's firstborn child, allowing for females and males of matrilineal descent to assume the throne. In response, the prime minister categorically stated his intention in his policy speech delivered at the outset of the regular Diet session in January this year to submit a bill amending the Imperial House Law in accordance with the report during that session. With public opinion divided on the revision, it was found in February that Princess Kiko was pregnant. The prime minister then changed his policy and decided not to submit the bill to that Diet session.

A view cautious about quickly amending the law commanded a majority yesterday in the ruling camp, as well.

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SCHIEFFER